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Director of Central Intelligence

NATIONAL INTELLIGENCE DAILY

Thursday, 19 March 1992



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CIS:

Situation Report

Ukrainian President Kravchuk has agreed to resume the transfer of tactical nuclear weapons to Russia, and Yel'tsin is trying to avoid a confrontation over the Tatar sovereignty referendum.

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Ukraine To Resume Weapons Transfers

Russian President Yel'tsin announced yesterday that Kravchuk had agreed on Tuesday to resume the transfer of tactical nuclear weapons to Russia for destruction, and NATO Secretary General Woerner received similar assurances from Ukrainian Foreign Minister Zlenko,

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Yel'tsin and Kravchuk have again shown that they are willing to negotiate directly on key issues. They probably agreed to take advantage of tomorrow's CIS summit to discuss Ukraine's concerns over international monitoring of the weapons transfer and destruction.

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Russian Legislature To Discuss Tatarstan

Yel'tsin will address a special legislative session on Tatarstan's sovereignty referendum today. In a meeting with faction leaders yesterday, Yel'tsin hinted he wants to avoid confrontation, saying he favors a gradual settlement with the Tatars. Vice President Rutskoy and legislative Chairman Khasbulatov, however, have suggested they want to prevent the referendum, which is set for Saturday.

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Both moderates and nationalists in the Russian legislature fear that the referendum—assuming it passes—will give the Tatars a legal basis to secede. Yel'tsin almost certainly will try to assure legislators that the referendum does not threaten Russia's territorial integrity and will try to dissuade them from action that would antagonize leaders in the autonomous republics.

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Komi Oil Workers Continue Strike

Strikes have closed 52 oil wells in Komi, which produces 3 percent of Russia's oil. Workers are demanding that the Russian Government raise oil and gas prices and are complaining that the government failed to implement a mid-February accord; they have requested a meeting with First Deputy Premier Burbulis. They have been joined by nonoil workers, who are demanding pay raises for all northern workers.

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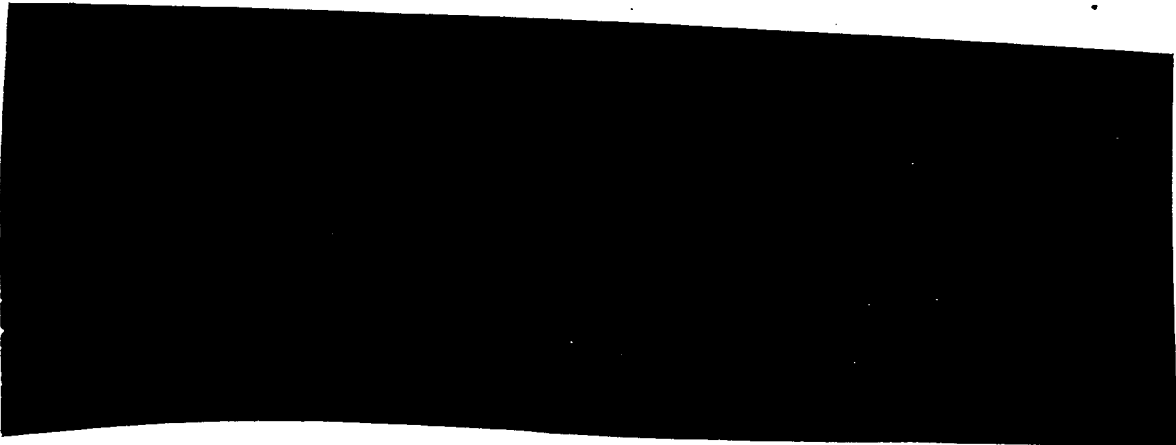
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The oil workers' recent labor activism shows their ties to independent miners' unions in Vorkuta and the ripple effect of wage increases recently given to Vorkuta workers. So far, the strikes affect only a small fraction of Komi's oil production, but they are likely to spread rapidly to other Komi oilfields and to nonoil workers in other northern cities unless Moscow acts quickly. In order to defuse the situation, the Russian Government probably will send a commission to the area, as it recently did to the coal-mining Kuzbass region.

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Armenia-Azerbaijan Meeting Off

Today's scheduled meeting between Armenian President Ter-Petrosyan and Azeri Acting President Mamedov apparently will not take place. [redacted] Ter-Petrosyan had insisted that Azerbaijan first lift its blockade of Armenia as a confidence-building measure, but Baku has not done so. [redacted]

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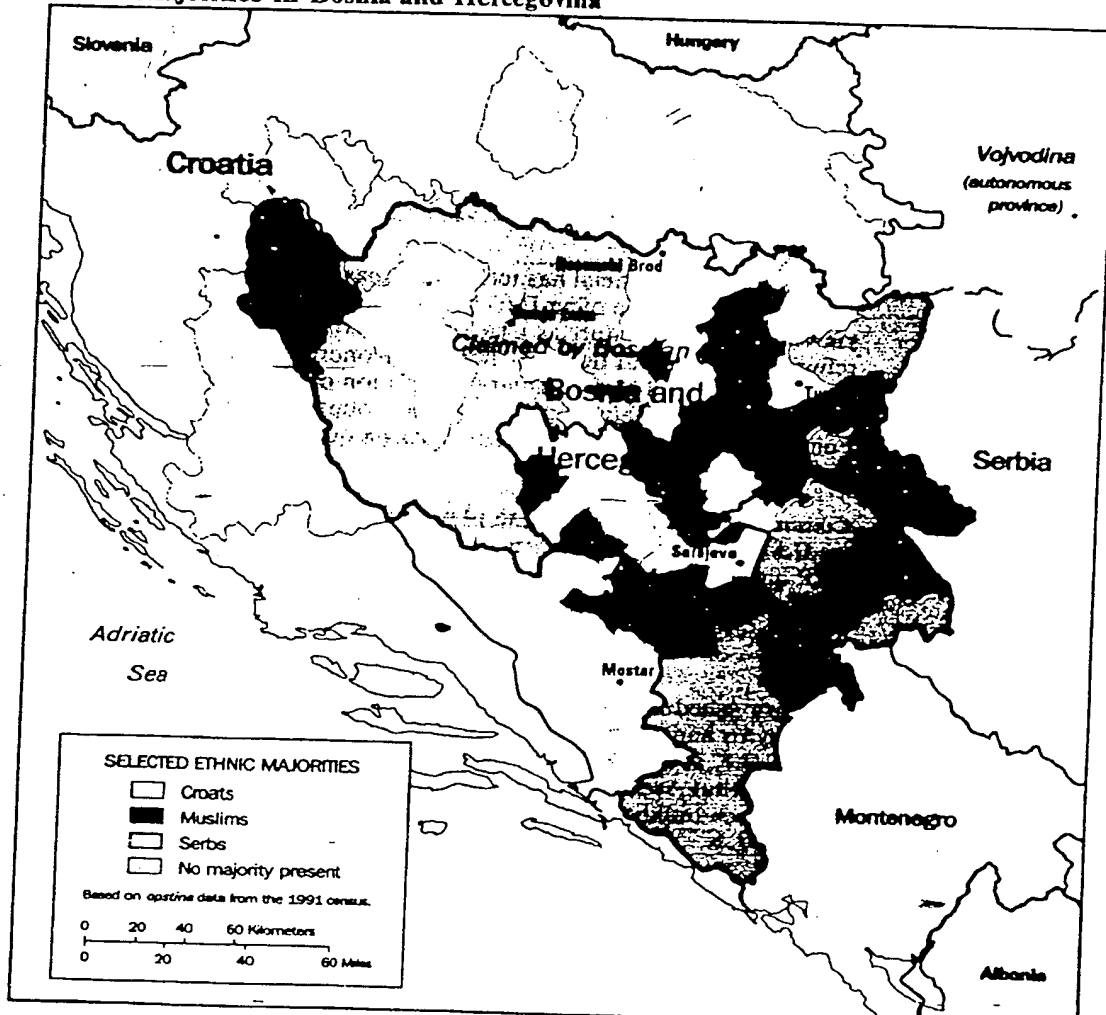
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Ethnic Majorities in Bosnia and Hercegovina



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YUGOSLAVIA:

Bosnians Opt for Cantonization

The agreement by Bosnian leaders to divide the republic into ethnic cantons may prevent major clashes in the near term, but ethnic groups left outside their respective units almost certainly will resort to violence eventually.

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During EC-sponsored talks in Sarajevo yesterday, Serb, Croat, and Muslim leaders agreed to divide the republic into three ethnic cantons. The agreement calls for internal borders to be redrawn on the basis of which ethnic group has an absolute majority or plurality in each of Bosnia's 108 counties. ~~_____~~, if the new borders are based on the 1991 census, Muslims may claim 52 of the counties, leaving only 18 percent of Bosnia's Muslims in Serb and Croat cantons. The agreement, which does not address authority over the armed forces, will be submitted to the Bosnian legislature and then to the republic's voters in a referendum. ~~_____~~

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~~_____~~ Implementation of the accord will accelerate the republic government's demise and probably will lead to de facto partition unless Sarajevo quickly asserts itself on issues not yet delineated, particularly control of the military. Bosnian President Izetbegovic probably agreed to the document primarily in order to gain EC support for international recognition. ~~_____~~

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Serbs and Croats will resist any attempt by Sarajevo to regain control. Because the two groups already have strong militias and outside patrons in Belgrade and Zagreb, they are well positioned to bring down any future republic government. The Serbs have claimed 65 counties in Bosnia—based both on the 1991 census and on pre-World War II figures—and probably will try to draw the Yugoslav Army into these contested regions in order to solidify their hold. Moreover, ethnic fighting is likely in regions where no ethnic group is in the majority, such as Mostar and Bosanski Brod, as the three groups maneuver to take advantage of the planned border changes. ~~_____~~

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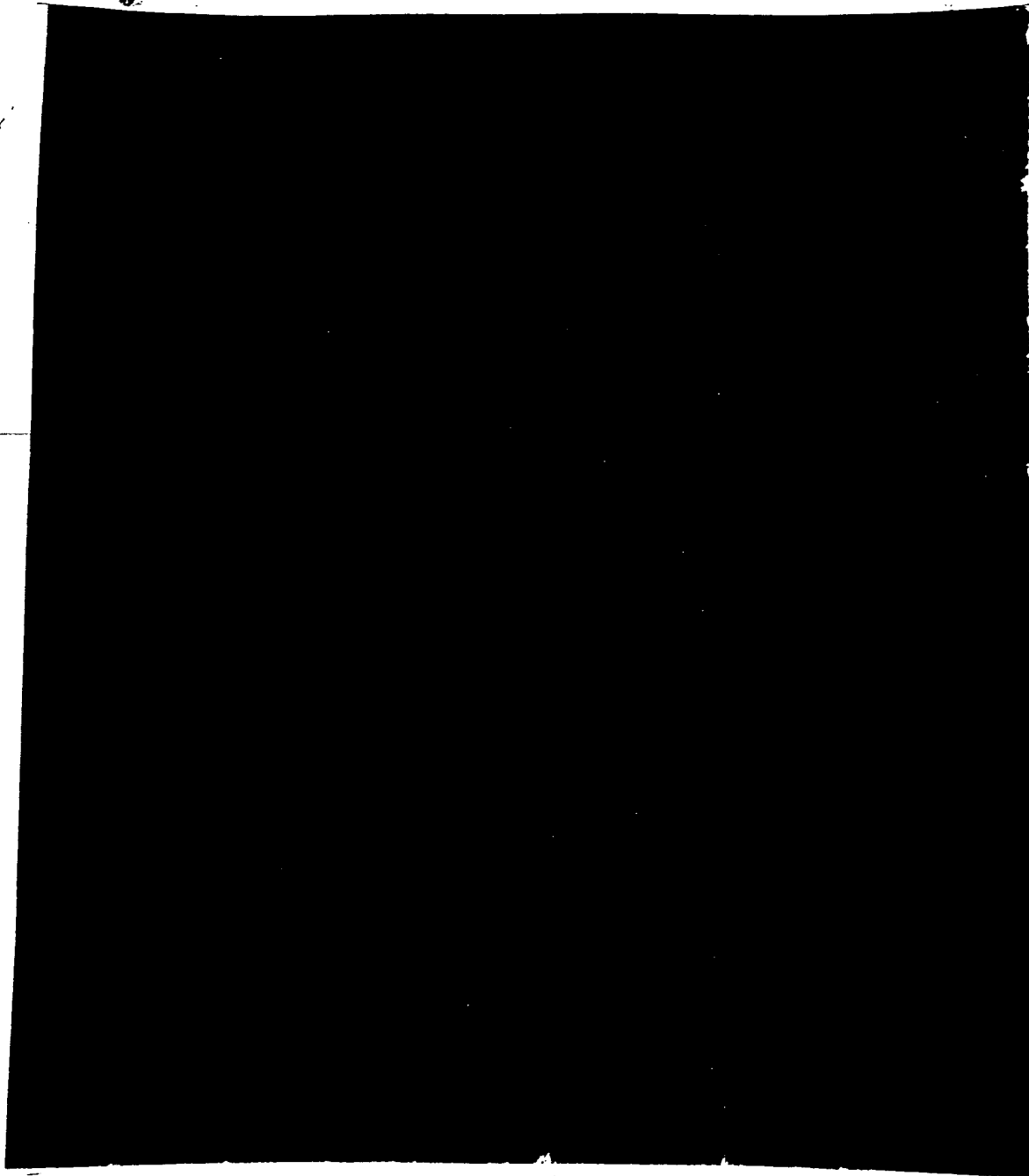
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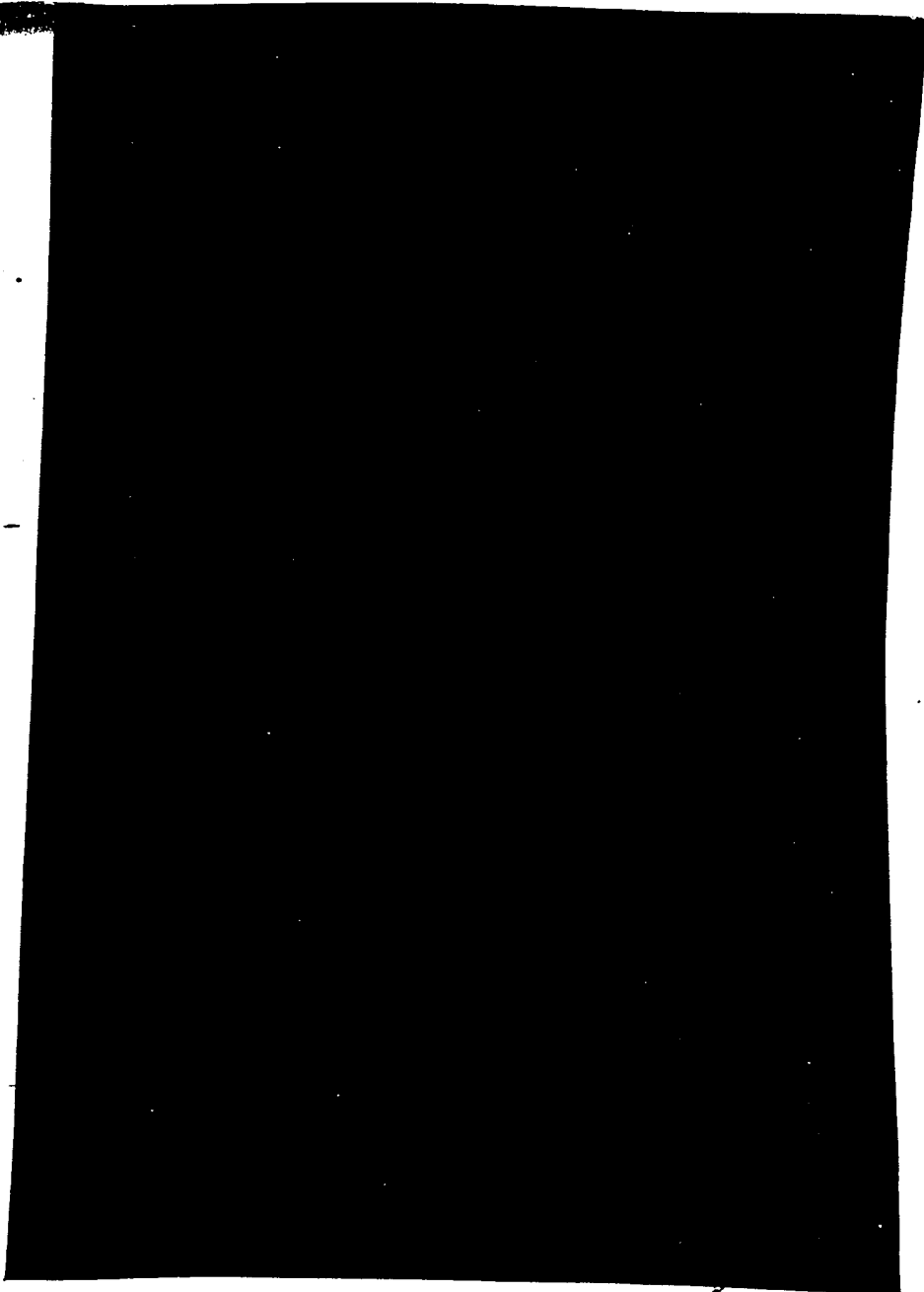
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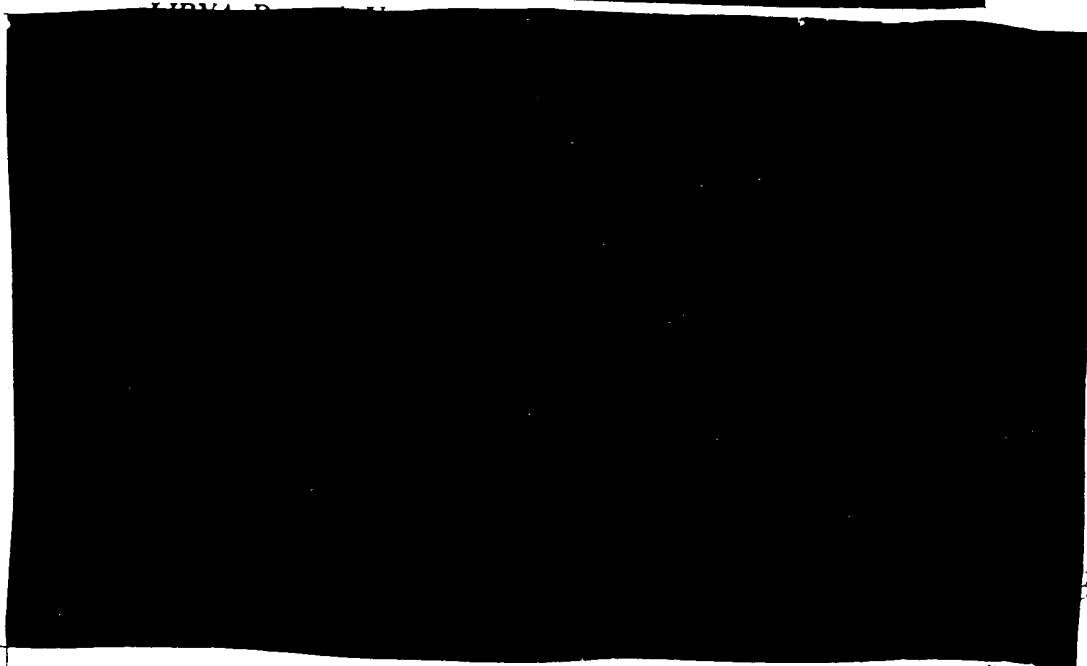
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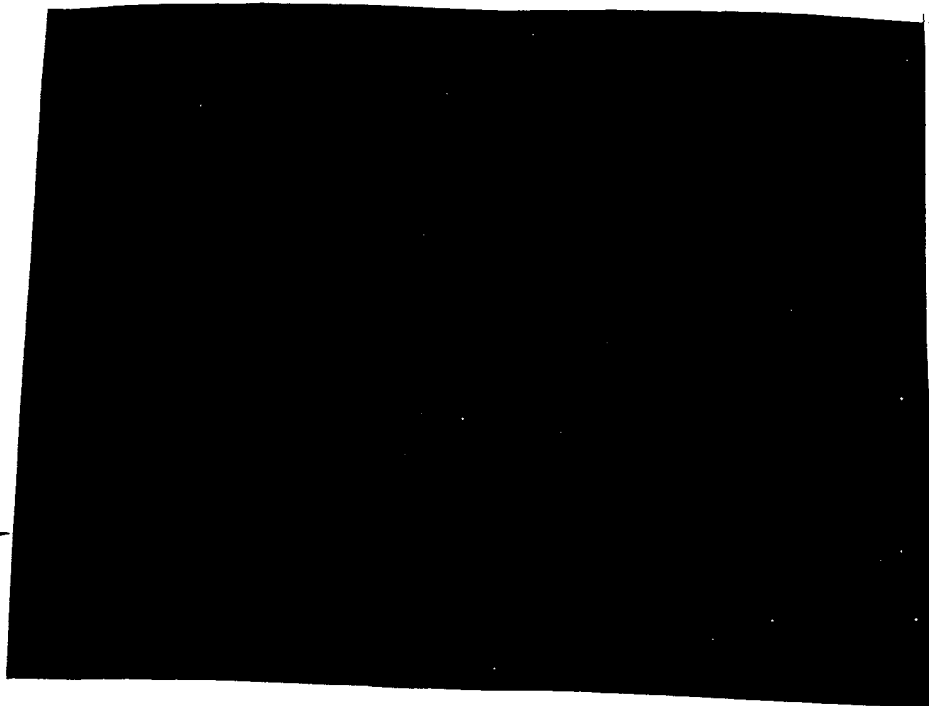
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RUSSIA-IRAN: Planning Nuclear Power Cooperation

[REDACTED] b1, b3
Moscow is considering the sale of two VVER-440 reactors, as well as technical cooperation in the peaceful uses of nuclear energy and an exchange of scientists. [REDACTED] Russia finds Western allegations that Iran poses a nuclear weapons proliferation threat unimpressive. [REDACTED] neither the recent IAEA inspection of Iranian nuclear facilities [REDACTED] had revealed any nuclear weapons program in Iran. [REDACTED]

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[REDACTED] Iran legitimately needs increased electrical power production; and the VVER-440 reactors—which almost certainly would be under IAEA safeguards—are ill suited to the production of weapons material. Russia's economic interests may prevail over nuclear concerns; the reactor sale could bring them up to \$4 billion. The proposed cooperation could, however, create opportunities for Iran to acquire training and equipment proscribed under the nuclear Non-Proliferation Treaty. [REDACTED]

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RUSSIA-CUBA: Completion Date for Troop Withdrawal

[REDACTED] Russia is committed to a complete withdrawal of the military training brigade in Cuba. [REDACTED] a fourth of the brigade's 2,800 soldiers left with their dependents in December, and more have left on military flights this year. [REDACTED] no replacements for the outgoing forces are being brought to Cuba [REDACTED]

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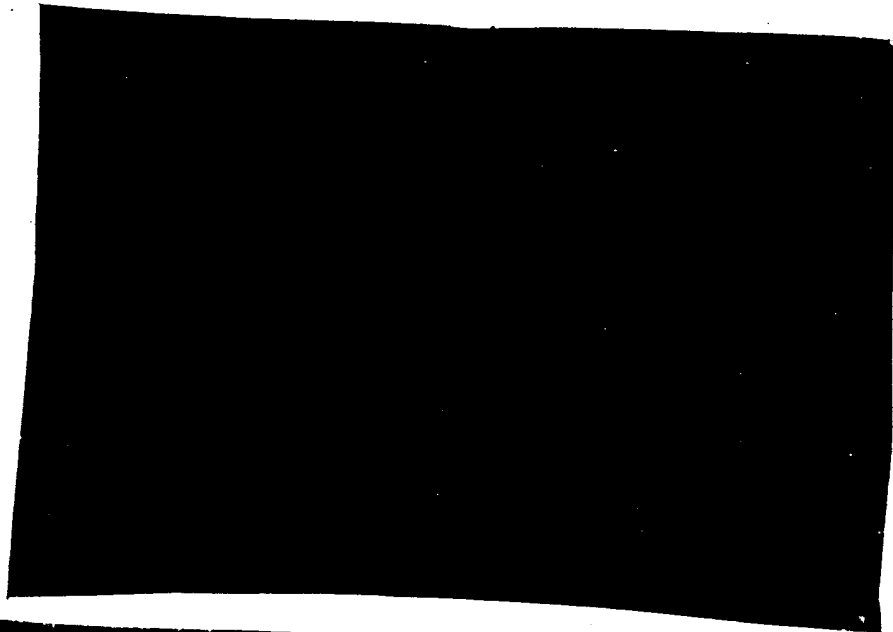
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INDIA: Defense Budget Tightens

New Delhi's projected 7-percent increase in defense spending for 1992/93 will be less than the current inflation rate of about 12 percent. [REDACTED] defense spending will be only 13 percent of the central budget this fiscal year, as compared with a peak of 17 percent in fiscal year 1987/88. The Indian Navy will get only \$34 million for operations during the year, substantially less than last year, [REDACTED]. India's recent devaluations of the rupee have sharply increased the prices for defense items, many of which are imported or have imported components. [REDACTED]

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b3 [REDACTED] India's budget austerity makes any major defense purchase from the US very unlikely in the near term except on concessionary terms. Other foreign purchases will also hinge on deferred payments, loans, or coproduction arrangements. Such capital programs as dockyard expansion and aircraft carrier replacement may be scrapped, and the Navy probably will reduce training and readiness. [REDACTED]

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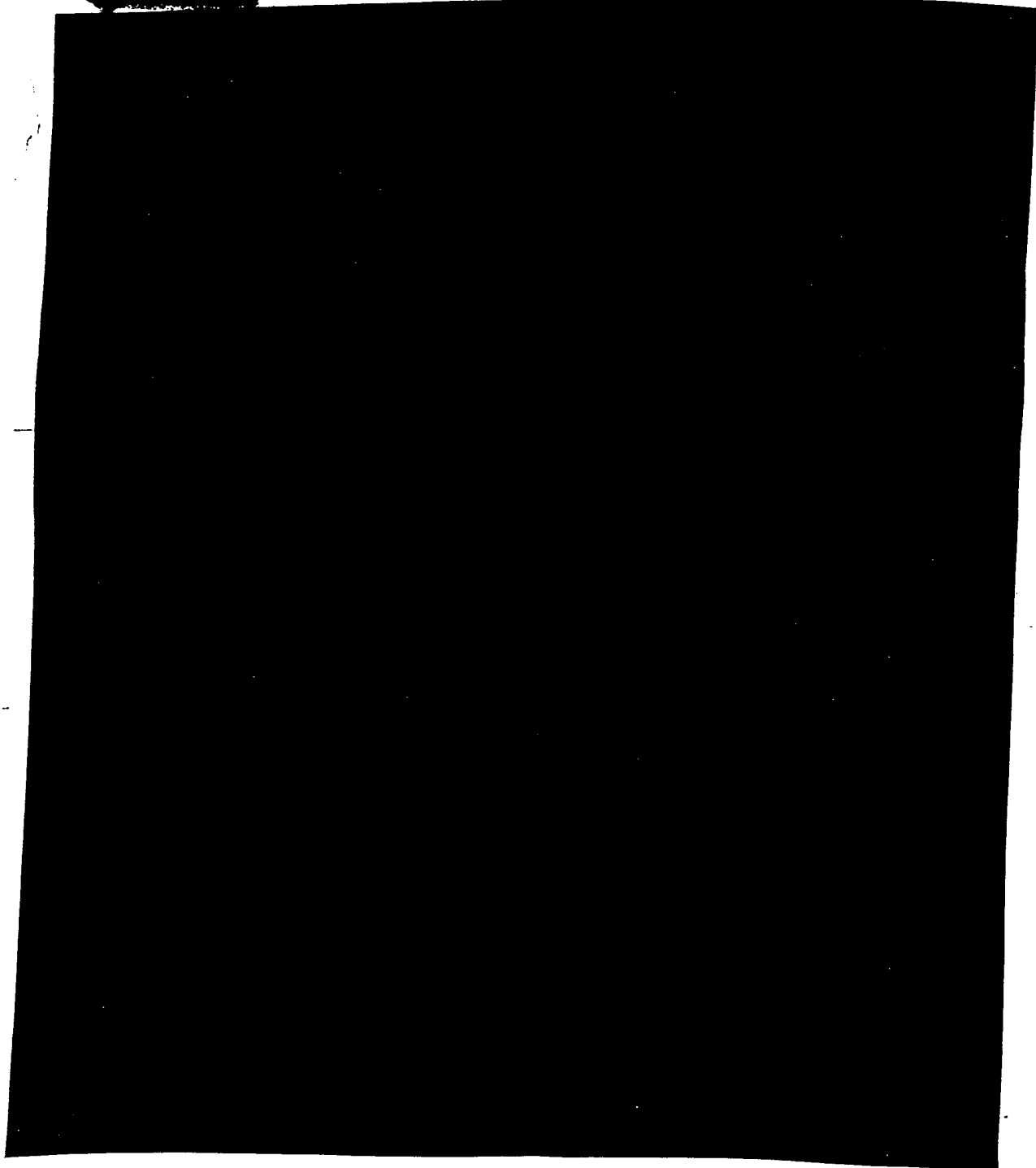
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In Brief

Europe

- Turkish parliament approved four-month extension of emergency rule in largely Kurdish southeast ... most ruling coalition Social Democrats voted no or abstained

Asia

- Afghan President Najibullah said he will eventually transfer power to interim government ... agreed to forgo participation in preliminary UN peace talks ... resistance probably still demanding his immediate resignation.

Middle East

- Palestine Islamic Jihad taking credit for recent stabbings in Jaffa, attacker carried HAMAS leaflet, avenging father's death ... PIJ probably using incident to promote group's profile.

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Reactions to South African Referendum

In a press conference yesterday, ANC President Nelson Mandela—although pleased by the referendum's outcome—sternly admonished that this would be the last whites-only vote in South Africa. His heavy rhetoric suggests he will now push for—and expect—government concessions and rapid progress. At the other end of the political spectrum, reactions from leaders of the deflated Conservative Party have been muted. [REDACTED], CP leader Andries Treurnicht expected defeat but by a much closer margin. Incapable of dealing with changing political realities, Treurnicht will have difficulty rebounding, and his prospects for holding South Africa's fractious right wing together are increasingly dim. Opportunistic CP maverick Koos van der Merwe probably will try to capitalize on the defeat to promote participation in multiparty talks as the only remaining hope of achieving Afrikaner self-determination. b3 b(3)

The reaction to the referendum from West European countries, which were worried a "no" vote would trigger violence that would jeopardize their growing investments, was euphoric. [REDACTED] French Foreign Minister Dumas said the end of apartheid was in sight, and Dutch Prime Minister Lubbers spoke of a "beautiful result." Danish Foreign Minister Ellemann-Jensen announced Copenhagen would lift its remaining sanctions this week; the EC and most other European countries scrapped their economic bans earlier this year. As a result of the favorable vote, EC investments should continue to grow as fears of political turmoil diminish. b1 b(1) b(3)

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Special Analysis

SOUTH AFRICA: Impact of the Referendum

The referendum's outcome has given de Klerk a strong mandate to continue constitutional talks, and the ANC probably will intensify efforts to press the group's agenda. The devastating blow to the Conservative Party almost surely will lead white extremists to sponsor more attacks against government and black targets.

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The unprecedented voter turnout—86 percent—strengthens de Klerk's hand in negotiations on a new political system. Both the white-Afrikaner and English-speaking communities strongly supported his reforms and appear willing to eventually accept an equitable power-sharing arrangement with blacks. The lopsided victory—nearly 70 percent voted "yes"—may have made this the last whites-only national vote; de Klerk had said that if the referendum passed by a wide margin, he would not seek another whites-only vote before making major constitutional changes.

De Klerk will use the victory to forge ahead in the talks; Pretoria and the ANC are already near agreement on an interim political system.

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ANC Likely To Revert to Adversarial Stance

ANC cooperation undoubtedly helped to persuade many white voters to trust de Klerk. Although ANC leaders formally rejected the concept of a whites-only vote, the group nonetheless issued some moderate, encouraging statements on the preliminary results of joint working groups on specific negotiating issues, including the establishment of an interim government.

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Now that the immediate threat to the talks has passed, the ANC probably will resume an adversarial stance toward the government, even as talks advance further. The ANC will rely primarily on large, peaceful protests and on international lobbying to press Pretoria and will continue to sharply criticize the government's inability to halt black-on-black violence in the township.

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Right Wing More Dangerous Than Ever

The Conservative Party's poor showing is likely to fragment its ranks and energize white extremists. The current Constitution does not require the National Party to hold a white general election until March 1995. The Conservatives, therefore, may be a spent political force with no viable path to power, particularly if a faction splits off to join the negotiations, as is likely. [REDACTED]

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The weaker the Conservative Party becomes, however, the more desperate white militants probably will grow. Extremists are increasingly likely to vent their frustration in bloody terrorist attacks. Although white extremist groups have proliferated since de Klerk began his reform program, the referendum's results suggest that support for them may have peaked. Last week's bombing of National Party offices may have caused many whites to link opposition to the referendum with rightwing extremism, further tipping the scales toward a "yes" vote. [REDACTED]

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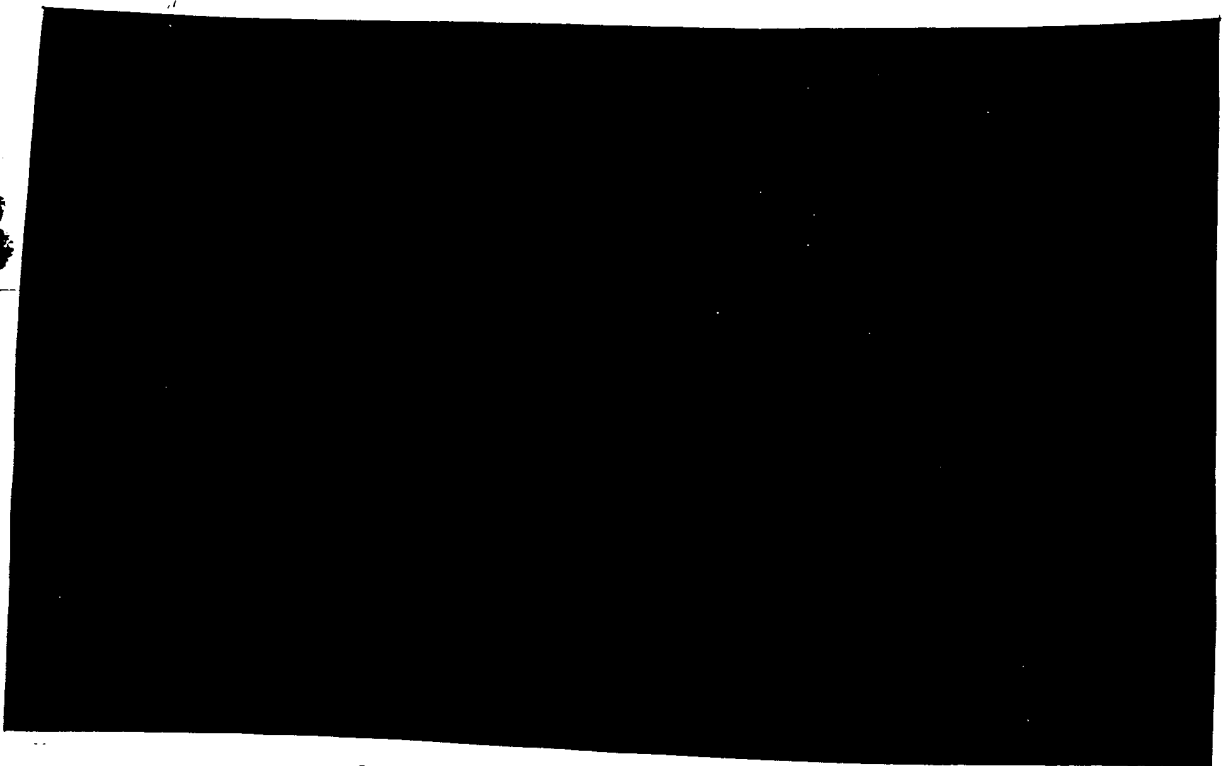
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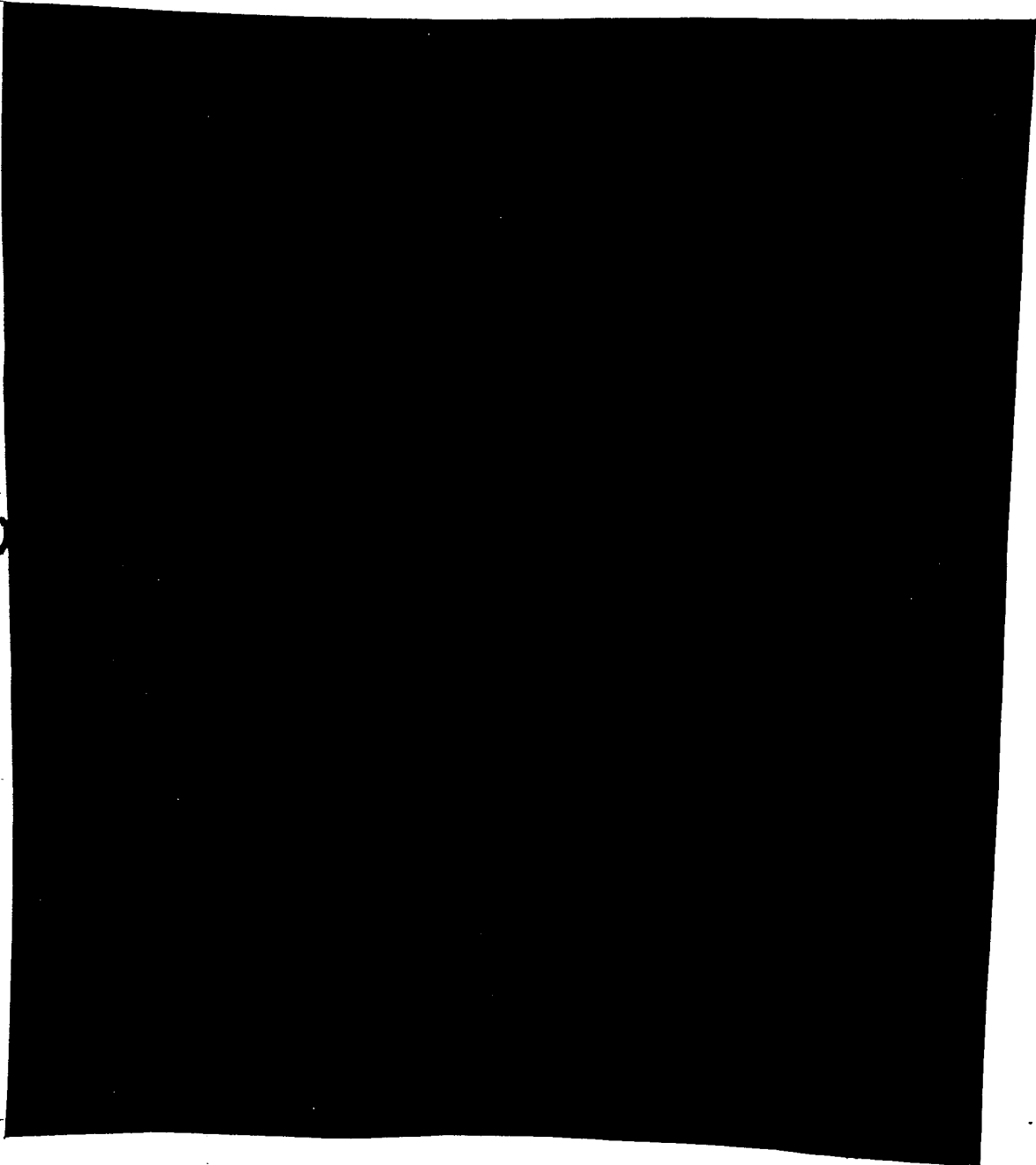
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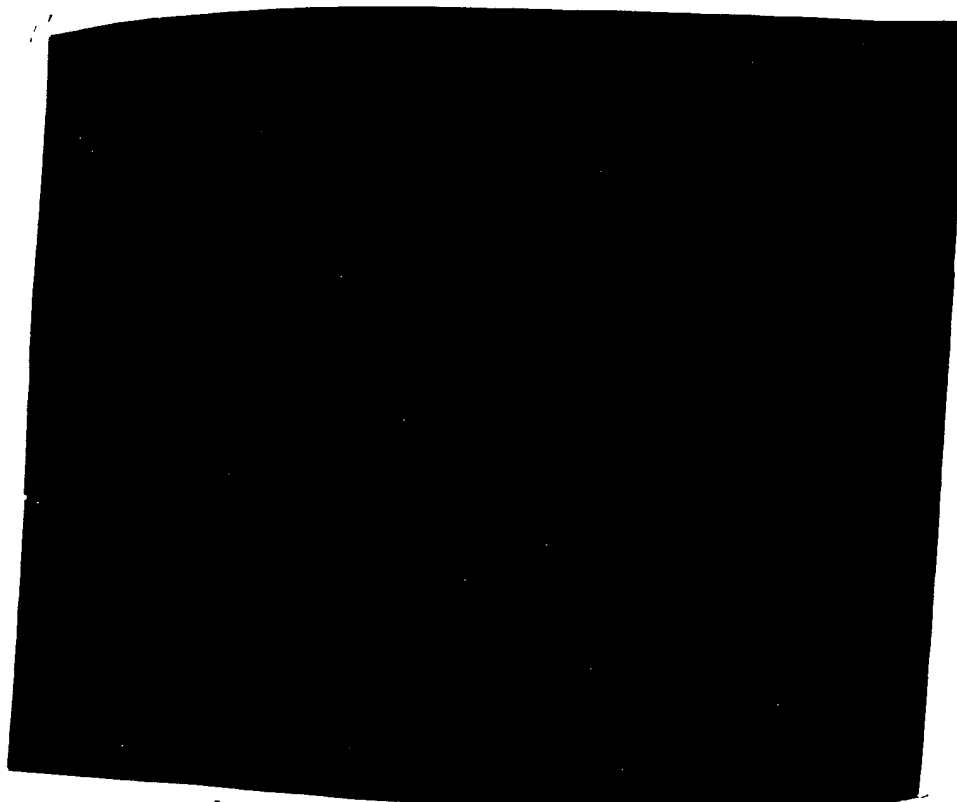
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